

ISO *HISTORY OF MODERN SANA'S OF JSSVE.*

was £3,087,209, The limit of authorized circulation was reduced by the suspension of the Western Bank in 1857, which had an authorized limit of £337,938, and the similar suspension of the City of Glasgow Bank in 1878, which had an authorized limit of £72,921. These reductions fixed the authorized circulation at £2,676,350, where it now stands. The union of two Scotch banks is permitted by the Act of 1845, and the retention of the aggregate circulation of both. Several unions of this kind have taken place without changing the limit of the authorized circulation for the Kingdom. The average circulation of the Scotch banks for the four weeks ending July 25, 1908, including that covered by coin, is shown in the following table :

Circulation of the Scotch Banks.

BANK.	AUTHORIZED CIRCULATION.	AVERAGE CIRCULATION FOR FOUR WEEKS	AVERAGE GOLD AND SILVER HELD FOR FOUR WEEKS.
Bank of Scotland	£1,106,537	£1,106,537	£1,106,537
Royal Bank of Scotland. British Linen Company .	216,451	216,451	216,451
Com'l Bank of Scotland. Nat Bank of Scotland. . Union Bank of Scotland. N. of Scotland Banking Co Clvdesdale	438,024 374,880 297,024 454,346 224,452 274,321	1,037,057 844,659 957,335 802,561 918,225 727,124 747,195	966,203 594,767 726,743 649,023 671,461 577,439 609,410
Total	2,676,350	7,230,986	5,745,410

The average circulation shown consisted of £5,106,537 in notes of denominations under £5 and £2,124,449 in notes for £5 and more.

The history of Scotch banking was comparatively uneventful after the restrictive legislation of 1845, except for the two great failures of the Western Bank in 1857 and the City of Glasgow Bank in 1878. As these failures have sometimes been treated by the opponents of Scotch banking- as an impeachment of its safety and success, they are worthy of some attention in detail. Both occurred in years "when